

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02527A  
Graham County Utilities, Inc. – Water  
P.O. Drawer B  
Pima, AZ 85543



**RECEIVED**

MAR 29 2006

**Z Corporation Commissic**  
**Director of Utilities**

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
----	----	------

FOR COMMISSION USE

ANN04	05
-------	----

entered  
3-20-06 RF

## COMPANY INFORMATION

**Company Name (Business Name)** Graham County Utilities, Inc. - Water

**Mailing Address** P.O. Drawer B  
(Street)

Pima Arizona 85543  
(City) (State) (Zip)

(928) 485-2451 (928) 485-9491  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** russb@gce.coop

**Local Office Mailing Address** P.O. Drawer B  
(Street)

Pima Arizona 85543  
(City) (State) (Zip)

(928) 485-2451 (928) 485-9491  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** russb@gce.coop

## MANAGEMENT INFORMATION

**Management Contact:** Russ Barney Finance Manager  
(Name) (Title)

P.O. Drawer B Pima Arizona 85543  
(Street) (City) (State) (Zip)

(928) 485-2451 (928) 485-9491  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** russb@gce.coop

**On Site Manager:** Steve M. Lines  
(Name)

P.O. Drawer B Pima Arizona 85543  
(Street) (City) (State) (Zip)

(928) 485-2451 (928) 485-9491 (928) 651-6024  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** slines@gce.coop

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Leven B. Ferrin  
(Name)

1536 Cherokee Lane Safford Arizona 85546  
(Street) (City) (State) (Zip)

(928) 428-1602  
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Michael M. Grant  
(Name)

2575 East Camelback Road Phoenix Arizona 85016-9225  
(Street) (City) (State) (Zip)

(602) 530-8000 (602) 530-8500  
Telephone No. (Include Area Code) Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)         | <input checked="" type="checkbox"/> Association/Co-op (A)                 |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE           | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input checked="" type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA          | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA              | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI           | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	37,708		37,708
302	Franchises			
303	Land and Land Rights	16,007		16,007
304	Structures and Improvements	219,484	156,121	63,363
307	Wells and Springs	78,719	69,376	9,343
311	Pumping Equipment	176,330	127,356	48,974
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	983,468	496,722	486,746
333	Services	229,902	99,199	130,703
334	Meters and Meter Installations	121,043	50,053	70,990
335	Hydrants	40,711	21,863	18,848
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	6,818	4,712	2,106
344	Laboratory Equipment			
345	Power Operated Equipment	51,956	48,200	3,756
346	Communication Equipment	7,846	5,234	2,612
347	Miscellaneous Equipment			
348	Other Tangible Plant	610,168	396,608	213,560
	<b>TOTALS</b>	<b>2,580,160</b>	<b>1,475,444</b>	<b>1,104,716</b>

This amount goes on the Balance Sheet Acct. No. 108 

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	37,708		
302	Franchises			
303	Land and Land Rights	16,007		
304	Structures and Improvements	219,484	4.0	8,336
307	Wells and Springs	78,719	4.0	3,149
311	Pumping Equipment	176,330	4.0	7,053
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	983,468	4.0	39,339
333	Services	229,902	4.0	8,875
334	Meters and Meter Installations	121,043	4.0	4,842
335	Hydrants	40,711	4.0	1,628
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	6,818	16.67	738
344	Laboratory Equipment			
345	Power Operated Equipment	51,956	10.0	5,196
346	Communication Equipment	7,846	16.67	1,310
347	Miscellaneous Equipment			
348	Other Tangible Plant	610,168	4.0	24,406
	<b>TOTALS</b>	<b>2,580,160</b>		<b>104,872</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

**BALANCE SHEET**

<b>Acct .No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$18,948	\$19,216
134	Working Funds		
135	Temporary Cash Investments	128,248	123,603
141	Customer Accounts Receivable	13,360	12,602
146	Notes/Receivables from Associated Companies	194,486	144,308
151	Plant Material and Supplies	32,403	46,416
162	Prepayments	5,942	7,686
174	Miscellaneous Current and Accrued Assets	29,724	26,294
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$423,111	\$380,125
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$2,548,822	\$2,580,160
103	Property Held for Future Use		
105	Construction Work in Progress	5,104	90,417
108	Accumulated Depreciation – Utility Plant	1,376,652	1,475,444
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$1,177,274	\$1,195,133
	<b>TOTAL ASSETS</b>	<b>\$1,600,385</b>	<b>\$1,575,258</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

### **BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$5,469	\$12,310
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	7,655	8,980
236	Accrued Taxes	13,119	13,692
237	Accrued Interest	2,144	2,388
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$28,387	\$37,370
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$1,450,000	\$1,368,648
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$1,478,387	\$1,406,018
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$2,500	\$2,500
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	119,498	166,740
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$121,998	\$169,240
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$1,600,385</b>	<b>\$1,575,258</b>

## COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$553,626	\$563,754
460	Unmetered Water Revenue		
474	Other Water Revenues	2,220	2,040
	<b>TOTAL REVENUES</b>	<b>\$555,846</b>	<b>565,794</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$130,405	\$100,143
610	Purchased Water		
615	Purchased Power	26,344	25,361
618	Chemicals		
620	Repairs and Maintenance	44,358	60,285
621	Office Supplies and Expense	7,008	9,915
630	Outside Services	15,575	12,968
635	Water Testing	5,120	3,858
641	Rents	6,375	5,113
650	Transportation Expenses	30,848	30,080
657	Insurance – General Liability	14,482	9,995
659	Insurance - Health and Life	42,510	44,571
666	Regulatory Commission Expense – Rate Case	1,237	1,172
675	Miscellaneous Expense	16,739	15,286
403	Depreciation Expense	104,110	104,872
408	Taxes Other Than Income	12,754	9,632
408.11	Property Taxes	19,672	20,345
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$477,537</b>	<b>\$453,596</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$78,309</b>	<b>\$112,198</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$3,975	\$9,530
421	Non-Utility Income	6,614	6,609
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(81,131)	(81,095)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>(70,542)</b>	<b>(64,956)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$7,767</b>	<b>\$47,242</b>



**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>	<b>LOAN #5</b>	<b>LOAN #6</b>
Date Issued	11/1/1989	9/4/1996	6/30/1993	12/20/1996	10/10/1998	11/15/2000
Source of Loan	CFC	CFC	USDA	USDA	AEPCO	USDA
ACC Decision No.	56660	59132	59132		60523	61839
Reason for Loan	Purchase Water Company	New Construction	Pima Upgrade	Cottonwood Wash Upgrade	Bryce Upgrade	Ft Thomas Upgrade
Dollar Amount Issued	\$1,054,461	\$ 148,500	\$ 180,000	\$ 300,000	\$ 220,000	\$ 95,000
Amount Outstanding	\$ 624,544	\$ 129,877	\$ 152,356	\$ 264,791	\$ 106,334	\$ 90,746
Date of Maturity	9/30/2014	9/30/2031	11/1/2028	11/30/2031	12/10/2009	11/15/2040
Interest Rate	% 7.00	% 7.45	% 5.00	% 4.50	% 0.00	% 4.50
Current Year Interest	\$ 43,570	\$ 9,798	\$ 7,692	\$ 12,018	\$ 0.00	\$ 4,110
Current Year Principle	\$ 48,739	\$ 2,610	\$ 2,747	\$ 4,182	\$ 22,000	\$ 1,074

Meter Deposit Balance at Test Year End	\$ 0.00
--	---------

Meter Deposits Refunded During the Test Year	\$ 0.00
--	---------

<b>COMPANY NAME</b>	Graham County Utilities, Inc. - Water
---------------------	---------------------------------------

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
Schedule Attached						

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
None		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
30	2	59	

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
380,000	1	4,000	1
190,000	2		
45,000	1		
90,000	1		

<b>COMPANY NAME</b>	Graham County Utilities, Inc. - Water
---------------------	---------------------------------------

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2	CA,PVC,Steel	32,421
3	CA,PVC,Steel	9,274
4	CA,PVC,Steel	40,472
5		
6	CA,PVC,Steel	94,224
8	CA,PVC,Steel	20,106
10	CA,PVC,Steel	31,024
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X ¾	1,094
3/4	
1	1
1 1/2	3
2	5
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Chlorination

STRUCTURES:

Chlorination Building 8’ X 12’ Pima Arizona

Chlorination Building 8’ X 12’ Ft Thomas, AZ

OTHER:

**COMPANY NAME:** Graham County Utilities, Inc. - Water

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1,072	7,699,200	7,932
FEBRUARY	1,082	6,450,900	7,135
MARCH	1,075	6,310,500	7,058
APRIL	1,079	9,597,100	11,938
MAY	1,073	12,353,700	13,092
JUNE	1,081	15,096,800	15,798
JULY	1,080	19,922,000	21,240
AUGUST	1,094	16,430,900	16,582
SEPTEMBER	1,091	15,553,900	18,294
OCTOBER	1,086	12,882,500	11,839
NOVEMBER	1,090	9,975,800	9,798
DECEMBER	1,103	10,763,700	12,432
TOTAL			153,138

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

( ) Yes ( X ) No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

( ) Yes ( X ) No

**If yes, provide the GPCPD amount:** \_\_\_\_\_

**What is the level of arsenic for each well on your system.** \_\_\_\_\_ mg/l

*(If more than one well, please list each separately.)*

Schedule Attached

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME Graham County Utilities, Inc. - Water YEAR ENDING 12/31/2005

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 20,660.60

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

---

---

---

---

---

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Graham</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Steve M. Lines General Manager</u>
COMPANY NAME	<u>Graham County Utilities, Inc. - Water</u>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*Steve M. Lines*  
SIGNATURE OF OWNER OR OFFICIAL  
  
(928) 485-2451  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

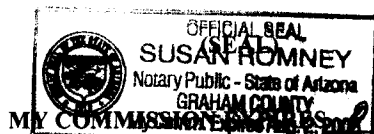
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

COUNTY NAME	<u>Graham</u>
MONTH	<u>March</u>
	<u>2006</u>



*Susan Romney*  
SIGNATURE OF NOTARY PUBLIC

03/02/2008

COMPANY NAME Graham County Utilities, Inc. - Water

YEAR ENDING 12/31/2005

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A Tax Exempt</u>
Estimated or Actual Federal Tax Liability	<u>N/A Tax Exempt</u>

State Taxable Income Reported	<u>N/A Tax Exempt</u>
Estimated or Actual State Tax Liability	<u>N/A Tax Exempt</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$ 19,215</u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u>\$ 19,215</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Steve M. Lines  
SIGNATURE

3/28/06  
DATE

Steve M. Lines  
PRINTED NAME

General Manager  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

MAR 29 2006

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Graham</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Steve M. Lines General Manager</u>
COMPANY NAME	<u>Graham County Utilities, Inc. - Water</u>

Z Corporation Commissio  
Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 614,248

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 48,454  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Steve M. Lines  
SIGNATURE OF OWNER OR OFFICIAL  
(928) 485-2451  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

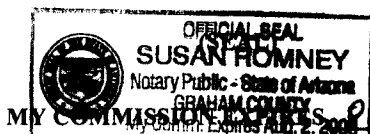
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

COUNTY NAME	<u>GRAHAM</u>
MONTH	<u>MARCH</u>
	<u>2006</u>



Susan Romney  
SIGNATURE OF NOTARY PUBLIC



VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
**INTRASTATE REVENUES ONLY**

**RECEIVED**

MAR 29 2006

**Z Corporation Commission**  
**Director of Utilities**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME)	Graham	
NAME (OWNER OR OFFICIAL)	Steve M. Lines	TITLE General Manager
COMPANY NAME	Graham County Utilities, Inc. - Water	

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 528,524

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 42,868  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

Steve M. Lines.  
SIGNATURE OF OWNER OR OFFICIAL

(928) 285-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28th

DAY OF

NOTARY PUBLIC NAME	SUSAN ROMNEY	
COUNTY NAME	GRAHAM	
MONTH	March 28	2006

(SEAL)



MY COMMISSION EXPIRES

08/02/2008

X

Susan Romney  
SIGNATURE OF NOTARY PUBLIC

**GRAHAM COUNTY UTILITIES, INC. - WATER**  
**YEAR ENDED 12/31/2005**  
**CONTINUATION SHEET**  
**WATER COMPANY PLANT DESCRIPTION**  
**WELLS**

ADWD ID NO.		PUMP HORSEPOWER	PUMP YIELD (GPM)	CASING SIZE (INCHES)	WELL DEPTH (FEET)	METER SIZE (INCHES)	YEAR DRILLED
529642		3	50	12	196		1991
540458		5	70	12	200		1994
545487		3	60	12	225		1995
549470		3	60	12	217		1995
605850	CAPPED		25	4			Pre 1989
605851		1	25	6	100		Pre 1989
605852	CAPPED			6	100		Pre 1989
605853	CAPPED		20	6	250		Pre 1989
605854	CAPPED			4	100		Pre 1989
605855		1	20	6	100		Pre 1989
605856		3	60	12	290		Pre 1989
605857	CAPPED		20	4	100		Pre 1989
605858	CAPPED		70	16	32		Pre 1989
605859	CAPPED		25	5	100		Pre 1989
605860		1	25	6	100		Pre 1989
605861		1	25	4	100		Pre 1989
605862	CAPPED		25	5	100		Pre 1989
605863		1	25	12	90		1998
605864		1	25	6	90		1998
606081	CAPPED		40	1	585		Pre 1989
606082	CAPPED		25	6	100		Pre 1989
606084	CAPPED		100				Pre 1989
606085		3	60	12	255		Pre 1989
606086		1	20	12	76		Pre 1989
606087		1	25	12	80		Pre 1989
565863		3	60	12	220		Pre 1989
565864		3	60	12	220		Pre 1989
565865		3	60	12	220		1998

**GRAHAM COUNTY UTILITIES, INC. - WATER  
YEAR ENDED DECEMBER 31,2005**

**LEVEL OF ARSENIC BY WELL**

<b>ADWD ID. NO.</b>	<b>PARTS PER BILLION</b>
529642	13
540458	19
545487	17
549470	5.5
605851	5.7
605855	4.8
605856	10
605860	10
605861	3.9
605863	17
605864	29
606085	66
565865	37

# Graham County Treasurer

Jean Reynolds  
921 Thatcher Blvd.  
Safford, AZ 85546  
928-428-3440

## Tax Payments by Date

4/29/2005

<u>User</u>	<u>Date</u>	<u>Year</u>	<u>Roll #</u>	<u>S/U</u>	<u>Book</u>	<u>Map</u>	<u>Parcel</u>	<u>S</u>	<u>TaxID</u>	<u>Pmt Date</u>	<u>Payment Info</u>	<u>Payment Amount</u>	<u>Payer</u>	<u>Description</u>
Dmerri	4/29/2005	2004	14522	S	905	00	680			04/29/2005	Graham County Util	\$7,869.09	Owner Paid	Scanned Payment
Dmerri	4/29/2005	2004	14521	S	905	00	630			04/29/2005	Graham County Util	\$1,579.43	Owner Paid	Scanned Payment
Dmerri	4/29/2005	2004	14523	S	905	00	760			04/29/2005	Graham County Util	\$708.00	Owner Paid	Scanned Payment
Dmerr														
												<b>\$10,156.52</b>		
												<b>\$10,156.52</b>		
												<b>\$10,156.52</b>		



4/29/2005

Grand Total:

051716

VENDOR NO. 34 JEAN REYNOLDS

2nd Half 2004  
Graham County Utilities Property Tax-Water

CHECK NO. 51716 CHECK DATE 4/25/05 Total - 10,156.52

PLEASE DETACH BEFORE DEPOSITING

YOUR ENDORSEMENT CONSTITUTES A RECEIPT FOR THIS VOUCHER. IF NOT CORRECT, RETURN WITHOUT ALTERATIONS AND STATE DIFFERENCE.

GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. / GRAHAM COUNTY UTILITIES, INC.



GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.  
GRAHAM COUNTY UTILITIES, INC.  
P.O. DRAWER B PIMA, ARIZONA 85543  
TELEPHONE 485-2451



91-2  
1221

BANK ONE  
SAFFORD BRANCH  
SAFFORD, ARIZONA

REF.  
NO.

051716

Date 4/25/05 Check No. 51716

PAY Ten Thousand One Hundred Fifty Six Dollars And Fifty Two Cents

TO THE ORDER OF

JEAN REYNOLDS  
GRAHAM COUNTY TREASURER  
GRAHAM COUNTY COURTHOUSE  
SAFFORD, AZ 85546

AMOUNT  
\$\*\*\*\*\* 10,156.52

*Russ L. Baurey*  
**NON NEGOTIABLE**

⑈051716⑈ ⑆122100024⑈

2147⑈1274⑈

WARNING: Do not accept this document unless you can see a true watermark hold to light to view.

EQUAL-DESCRIPTION: SECTION TWN RNG ACRES .54 USE 5500  
 TOTAL VALUE OF OPERATING PROPERTY  
 105-15-017-A 3,480 105-16-008 10,440

TAX ROLL NUMBER

14521

PARCEL IDENTIFICATION

905-00-630 9

TAX AREA CODE

0630

IMPORTANT - SEE REVERSE SIDE  
 FOR COMPLETE EXPLANATION OF  
 YOUR 2004 TAX NOTICE AND  
 PAYMENT INSTRUCTIONS.

905-00-630 9 14521

GRAHAM COUNTY UTILITIES/WATER DIVISION  
 RUSS BARNET/FINANCE MANAGER  
 P O DRAWER B  
 PIMA AZ 85543



01-1494

## 2004 TAX SUMMARY (3)

PRIMARY AD VALOREM TAX	3,114.34
LESS STATE AID TO EDUCATION	00
NET PRIMARY AD VALOREM TAX	3,114.34
SECONDARY AD VALOREM TAX	445.2
SPECIAL DISTRICT TAX	00

## PAY TOTAL OR HALF TAX

TOTAL TAX DUE	3,158.86
HALF TAX	1,579.43

## DELINQUENT DATES

1st HALF NOV. 1, 2004

2nd HALF MAY 1, 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE.  
 NO RECEIPT WILL BE SENT UNLESS REQUESTED.

EM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
IND, BLDGS, ETC.	18,776	25.0	4,694	0	7.6623	359.67
PERSONAL PROPERTY	143,805	25.0	35,951	0	7.6623	2,754.67
TOTALS	162,581		40,645	0		3,114.34

EM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
IND	13,920	25.0	3,480	0	17.61	61.4
BLDG, ETC.	485.6	25.0	121.4	0	17.61	2.14
PERSONAL PROPERTY	143,805	25.0	35,951	0	10.08	362.4
TOTALS	162,581		40,645	0		445.2

2003-2004 TAX COMPARISON (4)		2004 PRIMARY	2004 SECONDARY	2004 TOTAL	2003 TOTAL	DIFFERENCE
000	GRAHAM COUNTY	728.03	00	728.03	693.43	34.60
001	SCHOOL EQUALIZATION	185.34	00	185.34	182.61	2.73
151	TOWN OF PIMA	73.24	00	73.24	71.16	2.08
102	PIMA SD #6	1,286.46	00	1,286.46	1,701.48	-415.02
150	COMMUNITY COLLEGE	841.27	00	841.27	774.68	66.59
900	FIRE DISTRICT ASSISTANCE FUND	00	20.66	20.66	18.50	2.16
000	GRAHAM CNTY FLOOD CONTROL DIST	00	3.53	3.53	3.52	.01
000	GILA INSTITUTE FOR TECHNOLOGY	00	20.33	20.33	19.36	.97
	TOTALS	3,114.34	445.2	3,158.86	3,464.74	-305.88

TEAR OFF ALONG DOTTED LINES

## 2004 TAX NOTICE

COUNTY OF GRAHAM

ARIZONA

ADDRESS: 921 THATCHER BLVD.  
SAFFORD AZ 85546GAL DESCRIPTION: SECTION  
OTAL VALUE OF OPERATING  
09-84-009 29,179TWN RNC  
PROPERTY  
112-12-012ACRES 632.71 USE 5500  
104,400

TAX ROLL NUMBER

14522

PARCEL IDENTIFICATION

905-00-680 4

TAX AREA CODE

0680

IMPORTANT - SEE REVERSE SIDE  
FOR COMPLETE EXPLANATION OF  
YOUR 2004 TAX NOTICE AND  
PAYMENT INSTRUCTIONS

905-00-680 4 14522

GRAHAM COUNTY UTILITIES/WATER DIVISION  
RUSS BARNET/FINANCE MANAGER  
P O DRAWER B  
PIMA AZ 85543

01-1496

## 2004 TAX SUMMARY (3)

PRIMARY AD VALOREM TAX	14,543.94
LESS STATE AID TO EDUCATION	0.00
NET PRIMARY AD VALOREM TAX	14,543.94
SECONDARY AD VALOREM TAX	1,194.24
SPECIAL DISTRICT TAX	0.00

## PAY TOTAL OR HALF TAX

TOTAL TAX DUE	15,738.18
HALF TAX	7,869.09

## DELINQUENT DATES

1st HALF NOV 1, 2004

2nd HALF MAY 1, 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

EM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
ND, BLDGS, ETC.	140,053	25.0	35,014	0	7.4821	2,619.79
PERSONAL PROPERTY	637,476	25.0	159,369	0	7.4821	1,192.41
TOTALS	777,529		194,383	0		14,543.94

EM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
ND, BLDGS, ETC.	133,579	25.0	33,395	0	6.761	2,257.9
PERSONAL PROPERTY	647.4	25.0	161.9	0	6.761	10.95
TOTALS	777,529		194,383	0	6.008	957.50

## 2003-2004 TAX COMPARISON (4)

X CODE	TAX JURISDICTION	2004 PRIMARY	2004 SECONDARY	2004 TOTAL	2003 TOTAL	DIFFERENCE
000	GRAHAM COUNTY	3,481.80	0.00	3,481.80	3,426.11	55.69
001	SCHOOL EQUALIZATION	886.38	0.00	886.38	902.24	-15.86
102	PIMA SD #6	6,152.42	0.00	6,152.42	8,406.69	-2,254.27
150	COMMUNITY COLLEGE	4,023.34	0.00	4,023.34	3,827.58	195.76
205	PIMA FD	0.00	971.94	971.94	956.38	15.56
900	FIRE DISTRICT ASSISTANCE FUND	0.00	98.74	98.74	91.43	7.31
900	GRAHAM CNTY FLOOD CONTROL DIST	0.00	26.37	26.37	26.35	0.02
900	GILA INSTITUTE FOR TECHNOLOGY	0.00	97.19	97.19	95.64	1.55
	TOTALS	14,543.94	1,194.24	15,738.18	17,732.42	-1,994.24

LEAVE THIS AREA BLANK (SEE LINES)

LEGAL DESCRIPTION: SECTION

TOTAL VALUE OF OPERATING

109-13-001

109-13-009-B

109-13-009-D

696

446

2,063

TWN

RNG

ACRES

27.35

USE 5500

PROPERTY

109-13-003

109-13-009-C

109-13-031

6,405

2,228

17,381

TAX ROLL NUMBER

14523

PARCEL IDENTIFICATION

905-00-760 3

TAX AREA CODE

0760

IMPORTANT - SEE REVERSE SIDE  
FOR COMPLETE EXPLANATION OF  
YOUR 2004 TAX NOTICE AND  
PAYMENT INSTRUCTIONS.

905-00-760 3 14523

GRAHAM COUNTY UTILITIES/WATER DIVISION  
RUSS BARNET/FINANCE MANAGER  
P O DRAWER B  
PIMA AZ 85543

01-1495

## 2004 TAX SUMMARY (3)

PRIMARY AD VALOREM TAX	1,142.8
LESS STATE AID TO EDUCATION	0
NET PRIMARY AD VALOREM TAX	1,142.8
SECONDARY AD VALOREM TAX	273.1
SPECIAL DISTRICT TAX	0

## PAY TOTAL OR HALF TAX

TOTAL TAX DUE	1,416.0
HALF TAX	708.0

## DELINQUENT DATES

1st HALF NOV. 1, 2004

2nd HALF MAY 1, 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
AND, BLDGS, ETC.	29,450	25.0	7,363	0	43.170	317.88
PERSONAL PROPERTY	76,440	25.0	19,110	0	43.170	824.98
TOTALS	105,890		26,473	0		1,142.86

ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
AND	29,219	25.0	7,305	0	10.861	79.33
BLDG, ETC.	231	25.0	58	0	10.861	6.3
PERSONAL PROPERTY	76,440	25.0	19,110	0	10.108	193.18
TOTALS	105,890		26,473	0		273.14

## 2003-2004 TAX COMPARISON (4)

TAX CODE	TAX JURISDICTION	2004 PRIMARY	2004 SECONDARY	2004 TOTAL	2003 TOTAL	DIFFERENCE
000	GRAHAM COUNTY	474.20	0.00	474.20	421.18	53.02
001	SCHOOL EQUALIZATION	120.72	0.00	120.72	110.92	9.80
150	COMMUNITY COLLEGE	547.94	0.00	547.94	470.54	77.40
206	FORT THOMAS FD	0.00	240.91	240.91	213.98	26.93
900	FIRE DISTRICT ASSISTANCE FUND	0.00	13.45	13.45	11.24	2.21
000	GRAHAM CNTY FLOOD CONTROL DIST	0.00	5.54	5.54	5.54	0.00
000	GILA INSTITUTE FOR TECHNOLOGY	0.00	13.24	13.24	11.76	1.48
	TOTALS	1,142.86	273.14	1,416.00	1,245.16	170.84

YEAR SET ALONG BOTTOM LINE



## Tax Payments by Date

10/28/2005

User	Date	Year	Roll #	S/U	Book	Map	Parcel	TaxID	Pmt Date	Payment Info	Payment Amount	Payer	Description
Treas	10/28/2005	2005	14649	S	905	00	760		10/28/2005	Graham County Util	\$766.52	Owner Paid	Scanned Payment
Treas	10/28/2005	2005	14647	S	905	00	630		10/28/2005	Graham County Util	\$1,672.73	Owner Paid	Scanned Payment
Treas	10/28/2005	2005	14648	S	905	00	680		10/28/2005	Graham County Util	\$8,064.83	Owner Paid	Scanned Payment
Treas											<b>\$10,504.08</b>		
	<b>10/28/2005</b>										<b>\$10,504.08</b>		
<b>Grand Total:</b>											<b>\$10,504.08</b>		

VENDOR NO.	34	JEAN REYNOLDS
------------	----	---------------

GRAHAM COUNTY UTILITIES PROPERTY TAX - WATER

**10,504.08**

PLEASE DETACH BEFORE DEPOSITING  
YOUR ENDORSEMENT CONSTITUTES A RECEIPT FOR THIS VOUCHER. IF NOT CORRECT, RETURN WITHOUT ALTERATIONS AND STATE DIFFERENCE.

VENDOR NO. 34 JEAN REYNOLDS

1st Half 2005

GRAHAM COUNTY UTILITIES PROPERTY TAX - WATER

3236.10

CHECK NO. 52933 CHECK DATE 10/27/05 Total - 10,504.08

PLEASE DETACH BEFORE DEPOSITING

YOUR ENDORSEMENT CONSTITUTES A RECEIPT FOR THIS VOUCHER. IF NOT CORRECT, RETURN WITHOUT ALTERATIONS AND STATE DIFFERENCE.

GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. / GRAHAM COUNTY UTILITIES, INC.



GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.  
GRAHAM COUNTY UTILITIES, INC.  
P.O. DRAWER B PIMA, ARIZONA 85543  
TELEPHONE 485-2451



91-2  
1221

BANK ONE  
SAFFORD BRANCH  
SAFFORD, ARIZONA

REF.  
NO.

052933

Date 10/27/05 Check No. 52933

PAY

Ten Thousand Five Hundred Four Dollars And Eight Cents

TO THE ORDER OF

JEAN REYNOLDS  
GRAHAM COUNTY TREASURER  
SAFFORD, AZ 85546

AMOUNT
\$***** 10,504.08

NON-NEGOTIABLE

⑈052933⑈ ⑆122100024⑆

2147 1274⑈

WARNING: Do not accept this document unless you can see a true watermark hold to light to view.

PLEASE INCLUDE YOUR  
PARCEL NUMBER  
ON YOUR CHECK.

PLEASE INCLUDE YOUR  
PARCEL NUMBER  
ON YOUR CHECK.

2005 9050063000 2 00000033454600000167273

Jean Reynolds  
Graham County Treasurer  
921 W Thatcher Blvd  
Safford AZ 85546-3133



0590500630009000000167273



1,672.73

Payment in U.S. FUNDS ONLY  
Make check payable to:  
Jean Reynolds  
Graham County Treasurer

DETACH AND RETURN WITH PAYMENT

Due March 1, 2006  
MAHAM COUNTY UTILITIES/WATER DIVISION  
905 00 630 9 014647

Delinquency Date Second Half Payment  
Penalty for late payment is 16% per year  
prorated monthly as of the 1st day of the month  
for payments postmarked after 5:00 P.M.  
May 1, 2006 (ARS 42-18052 and ARS 42-18053).

## 2005 PROPERTY TAX NOTICE

ARIZONA

BOOK	PARCEL # MAP	PARCEL	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE		
905	00	630	9 0630	7.6466	0.1800		PRIMARY PROPERTY TAX	3,296.76
							LESS STATE AID TO EDUCATION	0.00
							NET PRIMARY PROPERTY TAX	3,296.76
							SECONDARY PROPERTY TAX	48.70
							SPECIAL DISTRICT TAX	0.00
							TOTAL TAX DUE FOR 2005	3,345.46

VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE		
172,456	25.0	43,114	0	43,114		
172,456	25.0	43,114	0	43,114		
153,595	25.0	38,399	0	38,399		
13,920	25.0	3,480	0	3,480		
4,941	25.0	1,235	0	1,235		

JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
GRAHAM COUNTY	772.27	728.03	44.24
SchlEqualization	187.89	185.34	2.55
TOWN OF PIMA	79.63	73.24	6.39
PIMA SD #6	1,364.60	1,286.46	78.14
COLLEGE DISTRICT	892.37	841.27	51.10
FIRE DIST ASSIST	23.59	20.66	2.93
CO FLOOD DIST	3.55	3.53	0.02
GILA TECH DIST	21.56	20.33	1.23

TOTALS 3,345.46 3,158.86 186.60

### PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2005. Delinquent interest will be waived.

Make your check payable to and mail to:

Jean Reynolds  
Graham County Treasurer  
921 W Thatcher Blvd  
Safford AZ 85546-3133

GRAHAM COUNTY UTILITIES/WATER DIVISION  
RUSS BARNEY/FINANCE MANAGER  
P O DRAWER B  
PIMA AZ 85543

PLEASE INCLUDE YOUR  
PARCEL NUMBER  
ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK  
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.